

**Finance and Administration
Commonwealth Office of Technology**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation			3,143,000		
Total General Fund			3,143,000		
Restricted Funds					
Balance Forward	4,911,700	4,373,000	3,173,100	7,429,400	7,950,700
Current Receipts	60,714,200	62,124,400	62,124,400	61,689,800	61,514,800
Non-Revenue Receipts		-543,000	-543,000		
Total Restricted Funds	65,625,900	65,954,400	64,754,500	69,119,200	69,465,500
Federal Funds					
Balance Forward	14,700	1,300		1,300	
Current Receipts	2,523,600	861,800	775,000	861,800	775,000
Total Federal Funds	2,538,300	863,100	775,000	863,100	775,000
Road Fund					
Regular Appropriation	125,000	125,000	125,000		
Total Road Fund	125,000	125,000	125,000		
TOTAL SOURCE OF FUNDS	68,289,200	66,942,500	68,797,500	69,982,300	70,240,500
EXPENDITURES BY CLASS					
Personnel Cost	31,112,600	38,464,600	40,430,200	32,867,700	33,658,300
Operating Expenses	23,120,200	23,386,700	23,392,700	23,245,800	23,249,100
Grants, Loans or Benefits	20,000	20,000	20,000	20,000	20,000
Debt Service			3,143,000		
Capital Outlay	3,205,700	1,531,800	1,443,700	1,531,800	1,443,700
Construction	3,400,000	366,300	366,300	4,366,300	5,366,300
TOTAL EXPENDITURES	60,858,500	63,769,400	68,795,900	62,031,600	63,737,400
EXPENDITURES BY FUND SOURCE					
General Fund			3,143,000		
Restricted Funds	58,196,500	62,781,300	64,752,900	61,168,500	62,962,400
Federal Funds	2,537,000	863,100	775,000	863,100	775,000
Road Fund	125,000	125,000	125,000		
TOTAL EXPENDITURES	60,858,500	63,769,400	68,795,900	62,031,600	63,737,400
EXPENDITURES BY UNIT					
Commonwealth Office of Technology	4,897,100	3,376,100	6,471,400	3,170,600	3,098,900
Application Development	11,883,600	13,293,200	13,947,500	13,615,200	13,883,600
Infrastructure Services	41,932,100	44,511,000	45,678,800	43,212,500	44,682,000
Enterprise Policy and Project Management	2,145,700	2,589,100	2,698,200	2,033,300	2,072,900
TOTAL EXPENDITURES	60,858,500	63,769,400	68,795,900	62,031,600	63,737,400

The Commonwealth Office of Technology (COT) provides leadership, policy direction, and technical support to all executive branch agencies in the application of information technology and the delivery of information services. This broad statement of responsibility encompasses major information resource functions such as data center operations; voice, data, and video

communications; application development; data and security administration; computer hardware selection and installation; and related end-user and customer support services. The workload for COT is highly sensitive to agency programmatic shifts, particularly changes mandated by state and federal legislation.

The Commonwealth Office of Technology provides support for major management systems throughout state government.

- Automated Management and Administrative Reporting System (MARS)
- Kentucky Vehicle Registration and Information System (KVIS and AVIS)
- Department of Revenue's tax systems
- Driver's license system
- Uniform Payroll and Personnel System (UPPS)
- Kentucky State Police systems
- Education technology system
- Kentucky's Electronic Workplace for Employment Services (KEWES)

COT consists of four units for budgetary purposes: the Office of the Commissioner, Application Development, Infrastructure Services, and Enterprise Policy and Project Management.

The Commissioner is responsible for developing strategies and policies to promote the effective application of information technology within state government as a means of saving money, increasing efficiency and employee productivity, and improving services to the public, including electronic access to information of the Commonwealth.

The Office of Application Development analyzes, designs, develops and installs systems and applications for client agencies throughout state government. Support is provided for systems that drive mission-critical activities for the Commonwealth, including public assistance, public health and safety, collection of taxes, and financial and personnel management of state government. The Office provides consulting services and support in a broad range of technical environments including Windows NT, 2000, and XP; UNIX; and Z/OS using languages such as Java, VB, .NET, COBOL, SAS, and others.

The Office of Infrastructure Services operates the Commonwealth's enterprise computing and communications environment. This Office includes the daily operation of the Commonwealth Data Center, operation and maintenance of the Kentucky Information Highway, and all communication services, including data, voice, video and wireless. Other responsibilities include providing help desk assistance to end-users and ensuring the security of client information in the areas of electronic commerce and network computing. The Division of Printing provides agencies with hard copy access to information, especially for high volume, color, and wide-format documents, as well as print project planning, consulting and electronic forms design.

The Office of Enterprise Policy and Project Management is responsible for the statewide strategic information technology (IT) plan. Staff in this office assist state agencies in developing their own IT plans that conform with the policies and architecture standards determined by COT. Other responsibilities include enterprise capacity planning, testing, research and development.

The Kentucky Geospatial Board is attached to the Commonwealth Office of Technology for administrative purposes. The Board is charged with advising the Commissioner on issues relating to geographic information and geographic information systems (GIS). The Board recommends policies and procedures that assist state and local jurisdictions in developing, deploying, and leveraging geographic information resources and GIS technology for the purpose of improving public services.

The Commonwealth Office of Technology operates as an internal service fund agency with budgetary support derived through the application of a federally-approved cost allocation plan, which distributes costs to user agencies based upon utilization of services.

Policy

On June 16, 2005, Executive Order 2005-562 made significant changes in the structure and mission of the Commonwealth Office of Technology. The Telehealth Board was transferred from COT to the Cabinet for Health and Family Services. The Commercial Mobile Radio Service (CMRS) Board and the Office of 911 Coordinator were transferred to the Office of Homeland Security. The Division of Printing was transferred from the Office of Administrative Services in the Finance and Administration Cabinet to the Office of Infrastructure Services. The Geographic Information Advisory Council was abolished and the Kentucky Geospatial Board was created with all of the functions and powers of the Council.

The Executive Order directed COT to review the IT infrastructure for each executive branch agency and to consolidate operational control under COT when it is in the best interests of the Commonwealth to do so. Since the effective date of the

Executive Order, COT has entered into agreements with the Commerce Cabinet and the Governor's Office for Local Development (GOLD) to assume responsibility for providing all IT, communications, and printing services. Eleven personnel positions from Commerce and two from GOLD were transferred to COT. Consolidation of IT infrastructure functions from other Cabinets in COT will continue through the remainder of fiscal year 2006. It is the intent of COT for application development and programming functions to remain in the agencies that have them. The Office of Application Development will provide development services to agencies that request them, billing for those services at a competitive hourly rate.

During the summer of 2005, the Commonwealth Office of Technology conducted a detailed cost study of its various services and the rates at which those services are billed to agencies. The rate schedule was then realigned to more accurately reflect actual cost. Agencies were provided with estimates of their computer services and telephone costs for the next biennium based on 2005 usage patterns applied to the new rates. By consolidating infrastructure services and purchases of equipment and software licenses, COT expects to be able to provide most basic services for a lower rate than in previous years.